

Solis	Tiahrt	Waxman
Souder	Tiberi	Weiner
Spratt	Tierney	Weldon (FL)
Stark	Towns	Weldon (PA)
Stearns	Turner	Weller
Strickland	Udall (CO)	Westmoreland
Stupak	Udall (NM)	Wexler
Sullivan	Upton	Whitfield
Sweeney	Van Hollen	Wicker
Tancredo	Velázquez	Wilson (NM)
Tanner	Visclosky	Wilson (SC)
Tauscher	Walden (OR)	Wolf
Taylor (MS)	Walsh	Woolsey
Taylor (NC)	Wamp	Wu
Terry	Wasserman	Wynn
Thomas	Schultz	Young (AK)
Thompson (CA)	Waters	Young (FL)
Thompson (MS)	Watson	
Thornberry	Watt	

ANSWERED "PRESENT"—1

McCollum (MN)

NOT VOTING—16

Allen	Foley	Meeks (NY)
Capuano	Gillmor	Millender-
Carson	Harris	McDonald
Cleaver	Knollenberg	Napolitano
Davis (FL)	Markey	Sanders
Ferguson	McGovern	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1557

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MCGOVERN. Mr. Speaker, I was unavoidably detained during rollcall votes 42 and 43. If I were present, I would have voted "nay" on rollcall vote No. 42 and "yea" on rollcall vote No. 43.

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 27.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOB TRAINING IMPROVEMENT ACT OF 2005

The SPEAKER pro tempore. Pursuant to House Resolution 126 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 27.

□ 1557

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 27) to enhance the workforce investment sys-

tem of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes, with Mr. TERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Michigan (Mr. KILDEE) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we stand here today we continue to see significant progress toward greater economic opportunity and prosperity across the country. More than 2.7 million new jobs have been created over the last 17 months, and the unemployment rate has fallen to 5.2 percent, the lowest level since September 2001. Our economy is strong and it is getting stronger.

The backbone of a strong economy is a well-trained and highly skilled workforce, and it is absolutely critical for workers to have the education and skills necessary to adapt to new opportunities and to move into higher wages.

Federal Reserve Chairman Alan Greenspan agreed with this view when he testified before the Committee on Education and the Workforce last year. The chairman said, "We need to increase our efforts to ensure that as many of our citizens as possible have the opportunity to capture the benefits of the changing economy. One critical element in creating that opportunity is the provision of rigorous education and ongoing training to all members of our society."

Chairman Greenspan this morning testified before Congress and talked about the need to do a better job with our education system and better training and retraining of American workers.

The bill before us, the Job Training Improvement Act, would achieve this objective by strengthening the Nation's job training system. In 1998, Congress established a system of one-stop career centers aimed at providing one convenient central location to offer job training and related employment services. While these reforms have been generally successful, the Workforce Investment Act system is still hampered by bureaucracy and duplication that prevents it from being as effective as it could be for workers and their families.

Our bill includes a number of reforms aimed at strengthening our job training system and better engaging the business community to improve job training services.

Our bill includes a number of reforms. First, requiring State and local workforce investment boards to ensure the job training programs reflect the employment needs in local areas. Secondly, allowing training for currently employed workers so employees can upgrade their skills and avoid layoffs. Third, encouraging the highest caliber providers, including community colleges, to offer training through the one-stop system, and leveraging other public and private resources to increase training and opportunities.

The bill also includes other important reforms. First, it consolidates the three adult WIA training programs, giving States and local communities greater flexibility and enabling more job seekers to be served with no reduction in services.

□ 1600

In addition, it targets 70 percent of the youth grant funds to out-of-school youth, an underserved population that faces significant challenges in finding meaningful employment.

The bill includes a proposal passed by the House last year introduced by the gentleman from Nevada (Mr. PORTER) to create personal reemployment accounts of up to \$3,000 to help unemployed Americans purchase job training and other employment-related services, such as child care, transportation services and housing assistance, giving them the flexibility they need in order to gain meaningful employment. In addition, it includes the President's community college proposal to strengthen the partnership between local businesses, community colleges, and the local one-stop delivery system.

Later today, we will consider an amendment from my colleague from Virginia to strip the faith-based provisions from this bill, an amendment that would deny faith-based providers their rights under the historic 1964 Civil Rights Act. When we considered this bill in committee, we twice rejected it on a bipartisan basis, and I urge all Members to vote against it today. The 1964 Civil Rights Act made clear that when faith-based groups hire employees on a religious basis, it can exercise the group's civil rights liberties and not discriminate under Federal law. In 1987, the Supreme Court unanimously upheld this right.

As my colleagues can see from the chart that I have next to me, former President Bill Clinton signed four laws allowing faith-based groups to staff on a religious basis when they receive those Federal funds. Those four laws are the 1996 welfare reform law; the 1998 Community Services Block Grant Act; the 2000 Community Renewal Tax Relief Act; and the 2000 Substance Abuse and Mental Health Services Administration Act, all allowing faith-based providers to preserve their rights under the 1964 Civil Rights Act.

Our Nation's faith-based institutions have a proven track record in meeting the training and counseling needs of

our citizens. Why would we want to deny them the opportunity to help in Federal job training efforts? President Bush repeated this call to protect the faith-based providers both during his State of the Union address and again yesterday. I can think of no better place to start than to protect the rights of faith-based groups who are willing to lend a helping hand in providing job training and other critical social services to the most needy of our citizens.

I want to thank the gentleman from California (Mr. McKEON) for his work in putting this bill together, a bill that is supported by a broad and diverse coalition of groups, including the U.S. Chamber of Commerce, the National Association of Counties, the National Association of Workforce Boards, the National Workforce Association, the Coalition to Preserve Religious Freedom and the Salvation Army, amongst others.

We are part of a dynamic economy that is constantly creating new and different types of jobs, so the knowledge and skills of each job seeker is absolutely critical in determining their success or failure. If we are going to help them succeed, then strengthening our job training programs is essential. The bill, I believe, accomplishes that goal.

Unfortunately, the only plan that my colleagues on the other side have put forward to address the needs of American workers is the status quo. Their plan fails to reduce duplication and inefficiency, it fails to give States and local communities more flexibility, and it fails to take advantage of the positive role that faith-based institutions play in our communities and the success they have in providing critical social services to those most in need.

Mr. Chairman, the status quo is no plan at all. I ask my colleagues to support the underlying bill.

Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to this bill. This bill is nearly identical to the WIA bill that passed this House last Congress on a near party-line vote. It was a bad bill then, and it remains a bad bill now.

H.R. 27 represents a missed opportunity to ensure that more, not less, job training happens for the millions who are unemployed or looking to upgrade their skills. This legislation fails to increase the amount of actual training services that will be provided to unemployed, dislocated, and underemployed workers. Instead, this legislation focuses on moving around and changing the bureaucratic elements of WIA without focusing on getting more resources to the consumers of these programs.

H.R. 27 is largely the same proposal backed by the administration for the past 2 years. Just a few weeks ago, President Bush spoke to individuals in

Omaha, Nebraska. There he met a woman in her late 50s who is a mother of three children. She told him that presently she was working three jobs to ensure she could provide for her family. The President's response was the following, and I quote exactly: "Uniquely American, isn't it? I mean, that is fantastic that you're doing that."

What insensitivity. Is this the attitude of this administration when it comes to the challenges of working adults and families? I think this quote from the President speaks for itself. It will go down in history with Marie Antoinette's famous quote: "Let them eat cake."

Mr. Chairman, this bill is not going to help this mother of three or the millions of Americans seeking job training. This bill is objectionable for four primary reasons.

First, the bill block-grants the adult worker, dislocated worker, and employment service program. This effectively repeals the Wagner-Peyser Act and the employment service, the national program used to match job seekers with employment opportunities. Termination of the employment service will translate into higher unemployment and less jobs.

The elimination of the employment service and Wagner-Peyser marks another example of the Republican majority terminating a New Deal program. Wagner-Peyser was first enacted in June of 1933 in the first term of President Franklin Delano Roosevelt. It is shameful that we are eliminating a 70-year-old program that has helped so many achieve and maintain work. In my hometown of Flint, Michigan, we had two parts of the unemployment office, one where you applied for the unemployment benefits and the other where you went in and were seeking a job and they would put the unemployed and an employer together. That would be decimated by this bill.

Second, H.R. 27 allows Governors to siphon off resources currently providing veterans, adult learners, and individuals with disabilities with critical services. Instead of helping vulnerable and needy individuals, these resources would fund infrastructure costs of the one-stop centers. Many of these individuals have nowhere else to turn to receive help, and this bill would exacerbate this problem.

H.R. 27 requires programs which provide these critical services to give up resources, but it also takes away any say over how they are allocated or used. They no longer will have a voice on the local boards. We should not be taking funds from these programs. These lost resources will translate into disruptions and lost opportunities to people who presently rely on these services. We should provide a separate source of funding for these one-stop centers.

Third, the bill allows discrimination in hiring based on religion with WIA funds. The bill turns back the clock on

decades of civil rights protections in our job training programs. This is simply wrong. Focus Hope in Detroit, Michigan, is one of the best, if not the best, job training program in the State of Michigan. Focus Hope was run until his death by Father William Cunningham, a classmate of mine in the seminary. He trained thousands of people in inner-city Detroit as a Catholic priest assigned by his bishop there, and he did not care whether those who were training people to run a lathe, to do engineering or whatever it was, he did not care whether they were Catholic, whether they were Protestant, whether they were Mormon, Muslim or had no faith at all. All he cared was they knew how to teach what they were teaching. That was a very important and effective program. He did not need to discriminate to carry out his duties. I strongly urge Members to support the Scott amendment today that will be offered later during debate to remedy this major shortcoming in this legislation.

Finally, Mr. Chairman, H.R. 27 creates personal reemployment accounts which voucherize the job training system and cuts individuals off from other training services. The money they do not spend to get a job, they can keep and use for any purpose. Workers do not need a bribe to get back to work. Research on similar schemes have proven that PRAs are not an effective means of providing job training.

Mr. Chairman, this bill does not respond to the needs of underemployed and unemployed individuals. It misses an opportunity to improve our job training system. I urge Members to join me in opposing passage of this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 5 minutes to the gentleman from California (Mr. McKEON), the author of the bill, the chairman of the Subcommittee on 21st Century Competitiveness.

Mr. McKEON. Mr. Chairman, I rise in strong support of H.R. 27 and thank the gentleman from Ohio for his leadership in bringing this bill to the floor, the Job Training Improvement Act of 2005, which I introduced to strengthen and reauthorize the Nation's job training system as well as adult education and vocational rehabilitation programs. Job training programs must be responsive to the needs of the workforce and improving them is critical. In today's knowledge-based economy, we need to equip Americans with the skills they need to find a new or better job and quickly return to the workforce.

One of the hallmarks of WIA is that in order to encourage the development of comprehensive systems that improve services to both employers and job seekers, local services are provided through a one-stop delivery system. The one-stop centers serve as the front line in helping job seekers return to the workforce. At the one-stop centers,

assistance ranges from core services such as job search and placement assistance, access to job listings and an initial assessment of skills and needs, to intensive services such as comprehensive assessments and case management and, if needed, occupational skills training.

Over the last 3 years, I have met with local workforce development leaders, businesses, the administration, researchers, and others to examine how we can improve our Federal job training system. While the Workforce Investment Act of 1998 made dramatic reforms to the Nation's workforce system, I learned that further refinements were necessary to ensure State and local officials have the flexibility they need to effectively target resources toward the unique needs of their communities.

The Job Training Improvement Act builds upon WIA to make it more demand-driven and flexible while reducing unnecessary duplication and inefficiency. H.R. 27 will help strengthen and improve the Nation's locally driven, business-led workforce investment system to help States and localities ensure workers get the training they need to find good jobs.

For example, the bill streamlines the current WIA funding in order to provide more efficient and results-oriented services and programs by combining the adult, dislocated, and employment service funding streams into one funding stream. This will eliminate duplication in service delivery and administrative functions that remain in the system, improving services for individuals.

The bill also ensures the financial contribution of the mandatory partners in the one-stop centers while at the same time it increases the service integration among the partner programs. This will improve access to services through the one-stop delivery system for special populations, such as individuals with disabilities.

In order to ensure greater responsiveness to local area needs and strengthen the private sector's role, the bill simplifies the local and State governance processes. One-stop partner programs will no longer be required to have a seat on the local boards. This will provide for greater representation and influence by local business representatives. Currently, they are frequently frustrated that they are not able to connect with or access resources from the local boards.

Mr. Chairman, I had a couple of my good friends, constituents in my district, that lost their jobs in the defense industry. They came up and thanked me for the help they received from WIA. They were able to get vouchers. One of them went on to become a school teacher, one a worker in the computer industry. This bill works. The new bill that we are passing today will make it better, more efficient and help the people to really get the services they need so we can continue to

have the job growth that we have been enjoying the last few months here in the country. I support this strongly.

Mr. KILDEE. Mr. Chairman, I yield 4 minutes to the gentleman from Washington (Mr. McDERMOTT).

□ 1615

Mr. McDERMOTT. Mr. Chairman, the question is when is the Congress going to stop letting American businesses and workers down? It is time to roll up our sleeves and chart a path to economic freedom. It is time to govern.

Today the Republicans again ask us to consider a bill with provisions that will make its mark by missing the mark. It inflates government bureaucracy and deflates workers' opportunity. American business needs the best, most qualified workers on earth, but this bill does nothing to reach that goal.

Workers, especially the working poor, need a credible realistic road to economic freedom. This bill is a dead end. Our workforce is in trouble. The "L.A. Times," which I will enter into the RECORD an article from the "L.A. Times," recently reported that the volatility of income for the working poor has doubled in recent years. Income among the working poor now fluctuates by as much as 50 percent annually. One cannot buy a home with a wild fluctuation like that. One cannot plan for their children's college education with income swings like that, and they are lucky to put food on the table.

Mr. Chairman, we need to rethink the systems we have in place to help workers and employers maximize productivity and profitability. We continue to pursue open trade to open our domestic market to foreign competition, but we are not employing the same vigor toward pursuing the means to ensure that our workforce can compete and be the best trained and equipped in the world. This issue, investing in our workforce, transcends social and economic status.

I represent the 7th District of Washington, Seattle, where the economy is driven by manufacturing as well as by innovation and the service industry. Everyone in these industries is competing for their jobs against someone overseas. Making the proper investments and systems to helping the working poor obtain access to job training and education is even more important.

The so-called Personal Reemployment Accounts compel, compel, unemployed workers to take the first job they can get and forego current job training opportunities. Instead of economic independence, this bill produces economic surrender. We can do better.

We ought to significantly invest in continuing education training programs for people in industries that are challenged by global competition. Furthermore, we ought to seriously consider wage insurance. This would enable the working poor to move into jobs that may begin by paying a little

less but have greater opportunities for wage growth and economic stability down the road. This bill, even without the bad provisions such as Personal Reemployment Accounts and the provisions that allow workplace discrimination based on religion, does nothing to meet the new challenges that workers and businesses that rely on them face in the new global economy.

The question again, Mr. Chairman, is when will you tell your chairman to start taking these responsibilities seriously rather than playing politics, as we are here today, putting the same bill before us that we have put here before, we know it is not going anywhere, it is a waste of time, and it does nothing for the workers? This is not even an election year.

[From the Los Angeles Times, Dec. 12, 2004]

THE POOR HAVE MORE THINGS TODAY—
INCLUDING WILD INCOME SWINGS

(By Peter G. Gosselin)

"The poor are not like everyone else," social critic Michael Harrington wrote in the 1962 bestseller "The Other America," which helped shape President Johnson's War on Poverty.

"They are a different kind of people," he declared. "They think and feel differently; they look upon a different America than the middle class."

How then to account for Elvira Rojas?

The 36-year-old Salvadoran-born dishwasher and her partner, warehouse worker Jose Maldonado, make barely enough to stay above the official poverty line—\$18,810 last year for a family of four. But by working two, sometimes three, jobs between them, they are grabbing at middle-class dreams.

Rojas and Maldonado live in a two-room apartment in Hawthorne but have china settings for 16 tucked in a wooden hutch. Their two young daughters receive health coverage through Medi-Cal but get many of their clothes at Robinsons-May.

The family struggles to meet its monthly bills but has taken on a mountain of credit card debt. They have used plastic to buy a large-screen TV and other luxuries but have also relied on it to cover bare necessities such as rent and emergency-room visits.

"That's why I'm really poor even though I work so hard," Rojas said with a rueful laugh.

Some see circumstances like Rojas' as testament to the economic strides that America has made over the last generation, rather than a reflection of its failures.

"We've won the War on Poverty," asserted Robert Rector, an influential analyst with the Heritage Foundation, a conservative Washington think tank. "We've basically eliminated widespread material deprivation."

But if deprivation is no longer as big a problem, that hardly means all is well. In many ways, Rojas is the new face of the working poor, suffering not so much from a dearth of possessions as from a cavalcade of chaos—pay cuts and eviction notices, car troubles and medical crises—that rattles her finances and nudges her family toward the economic brink.

In this way, Rojas and millions like her are not—as Harrington described them—fundamentally different from most other Americans; they are remarkably similar.

Indeed, today's working poor are experiencing an extreme version of the economic turbulence that is rocking families across the income spectrum. And the cause, no matter people's means, is the same: a quarter-

century-long shift of economic risk by business and government onto working families.

Protections that Americans, especially poor ones, once relied on to buffer them from economic setbacks—affordable housing, stable jobs with good benefits, union membership and the backstop of cash welfare—have shriveled or been eliminated. These losses have been only partially offset by an expansion of programs such as the earned-income tax credit for the working poor and publicly provided healthcare.

For the most part, the poor have been left to cope on their own, scrambling from one fragile employment arrangement to the next, doubling up on housing and borrowing heavily.

"Families up and down the income distribution are bearing more economic risk than they did 25 or 30 years ago," said Johns Hopkins University economist Robert A. Moffitt. "But the increase has been especially dramatic among the working poor."

As a result, their earnings are jumping around like never before.

During the early 1970s, the inflation-adjusted incomes of most families in the bottom fifth of the economy bounced up and down no more than 25% a year. By the beginning of this decade, those annual fluctuations had doubled to as much as 50%, according to statistics generated by the Los Angeles Times in conjunction with Moffitt and researchers at several other major universities.

For a family with an income at the 20th percentile—or roughly \$23,000 a year in inflation-adjusted terms—that has meant recent annual swings of as much as \$12,000. Twenty-five years ago, those swings tended to be no more than \$4,300.

The Times' figures are based on the Panel Study of Income Dynamics, a database funded by the National Science Foundation and run by the University of Michigan. In contrast to most economic indicators, which involve taking random samples of different Americans at different times and comparing the results, the panel study has followed the same 5,000 nationally representative families and their offshoots for nearly 40 years.

In supplementing conventional statistics with the panel-study data, the newspaper has sought to explain why Americans in rising numbers report being less financially secure, even as the nation has grown richer overall.

In a nutshell, The Times has found that behind the upward march of most economic averages are increasingly frequent instances of financial setback and hardship for a large swath of the population. Even those in the top-10 percent bracket—making well over \$100,000 a year—have seen their incomes grow more volatile and therefore prone to steep dives.

But for the country's 20 million working-poor families, the findings are particularly sobering: They now run the risk of seeing their incomes slashed by half in any given year. That's almost double the volatility experienced by families in the middle of the economic spectrum, the newspaper's findings show.

"The only way to improve your life if you're poor is to be very prudent and make very, very few mistakes like getting fired or splurging and ending up with a lot of debt," said Christopher Jencks, a Harvard University authority on poverty. "Most people aren't that prudent."

FINDING A FOOTHOLD

Elvira Rojas headed for the U.S. at age 21 in search of two things that were in short supply in her native El Salvador: peace and prosperity.

Combatants in that country's bloody civil war engaged in firefights outside her fam-

ily's home in Acajutla, and Maldonado had received death threats because of his role as a former military man. In addition, Rojas discovered that the only job she could get with her high school diploma from El Instituto Nacional was at the local fish-packing plant.

The pair arrived in L.A. in May 1989. She quickly found work cleaning houses with two of Maldonado's aunts. He landed a job at a Hawthorne dry-cleaning plant. Between them, they made about \$200 a week.

But with the average rent on a one-bedroom apartment in the city then running about \$600, they could not afford a first foothold in their new country—a place of their own to live. "I felt bad in the beginning because I had nothing," Rojas said. "I wanted to go home."

With nowhere else to turn, they moved in with one of Maldonado's aunts, her five children and four cousins in a two-bedroom house on Firmona Avenue in Hawthorne. They slept on the kitchen floor.

As the couple began to make more money, they moved into a succession of other apartments. Each was a little larger than the last but still crammed with relatives.

Rojas and Maldonado had few alternatives. During their first years, they were effectively excluded from Federal rent subsidies or State help because they were illegal immigrants.

In 1991, the two gained legal status under a program that allowed people fleeing war in their homelands to be counted as refugees. But their new standing was thrown into question in 1994, when California voters approved Proposition 187. The initiative was designed to cut off state assistance to undocumented immigrants, but many legal ones interpreted the measure as a blanket ban aimed at them too.

Rojas, for one, took no chances; she never applied for housing assistance—or almost any other kind of aid—although it appears from her Social Security records and tax returns that she would have qualified. "I didn't want to be a burden on the government," she explained.

It's probably just as well. By the mid-1990s, the state and federal governments were winding down most of a six-decade-long drive to help poor families meet their housing needs. That effort had begun under President Franklin D. Roosevelt, who decried the conditions gripping America. "I see one-third of a nation ill-housed, ill-clad, ill-nourished," he said in 1937.

In the years that followed, a booming private sector largely solved the food and clothing problems. And a combination of financial market innovations and federal power applied through a battery of agencies—the Veterans Administration, the Federal Housing Administration, Fannie Mae and Freddie Mac—greatly expanded home ownership, especially among the middle class. But that still left what to do for poor families, most of whom could afford only to rent.

Washington's first answer was to have the government build and run housing projects. Some worked. But many degenerated into vertical ghettos, victimized by disastrous design, racial and economic segregation, drugs and crime.

In 1974, President Nixon and Congress turned to another solution: the Section 8 program. Instead of putting up buildings itself, the government would subsidize private developers to construct housing and give poor families vouchers to rent apartments in the open market. But developer subsidies produced cost overruns and political scandals in the 1980s and were largely phased out.

That left only the vouchers, which recently have been cut back. In all, the

amount of money that Congress and the president have authorized to be spent on housing assistance has plunged by nearly two-thirds in the last 25 years, from an inflation-adjusted \$82 billion in 1978 to \$29 billion last year.

Washington's latest answer has been more laissez-faire: offer tax breaks for the creation of low-income housing but otherwise leave it to the marketplace to decide how much gets built. In hot housing markets such as Southern California's, little has.

"We've produced tens of thousands of units recently, but the well's been dry for so long we should have been producing hundreds of thousands," said Jan Breidenbach, executive director of the Southern California Assn. of Non-Profit Housing, which represents many of the region's developers of low-income housing.

In the absence of substantial government help—and with housing prices soaring beyond the reach of even the middle class—most working-poor families have been left to fend for themselves.

By 1997, Rojas and Maldonado thought they had succeeded in doing that. He was making \$5,800 a year at the dry-cleaning plant. She was making more than \$12,000 dashing between a part-time job at an airline linen service on Prairie Avenue in Hawthorne and a temporary position with Kelly Services, packing magazines, perfume and shampoo in samplers for direct-market mailings.

In the fall of that year, the couple, with another of Maldonado's aunts and her children, moved into a white stucco bungalow on Burin Avenue in Inglewood, not far from Los Angeles International Airport.

Although the house sagged in the middle and had drainage problems, it featured two kitchens and two living rooms, plenty of space for each family. The place cost Rojas and Maldonado \$550 a month. That was more than 30% of their earnings, a level the government considers the outer limit of affordable, but it was still something they could bear.

The bungalow "felt good because there were not so many of us," Rojas said. "It was the most room I've ever had." The following year, the two families celebrated Christmas by stringing sparkling lights along the structure's faded blue eaves and inviting neighbors for a party.

HEADING WEST FOR WORK

Albert Grimes arrived in Los Angeles a few years before Elvira Rojas did, similarly hungry to start over.

He came from Cleveland, where his family was a pillar of the African American community. His father, "Big Joe" Grimes, had returned home from World War II and used the GI Bill to buy a house. He opened a barber-shop, founded a youth marching band called B.J.'s Raiders and became a kingmaker of sorts in Cleveland politics.

Albert's uncle, Walter Dicks, ran the municipal workers union and helped the younger Grimes find a job right out of high school on a city sanitation truck. It paid about \$15,000, equal to about \$30,000 in today's dollars.

But Albert was laid off during one of Cleveland's periodic fiscal crises. In 1985, at the age of 29, he left home and headed West. He had no trouble finding work with one of Los Angeles' big employers.

For most of the postwar era, working Americans could count on big business even more than big government to provide safeguards against economic risk. In a reverse of the current passion for temps, outsourcing and lean workforces, corporate America felt it had a civic duty to offer full-time jobs with good wages and solid benefits, even to those like Grimes with no college education.

"Steady, year-round employment is so right from the standpoint of the employer, so right from the standpoint of the workers and so right for the country as a whole . . . that it is hard to see why we manufacturers have not made more progress in its application," Procter & Gamble Co. President Richard Deupree told a 1948 audience.

As the decades passed, Los Angeles became the hub of the nation's aerospace industry; a second home to U.S. automakers, after Detroit; and a major financial center. Among the region's largest employers: Lockheed Corp., McDonnell Douglas Corp., General Motors Corp., Goodyear Tire & Rubber Co., First Interstate Bank and Security Pacific Bank.

By the late 1970s, the typical L.A. County workplace had nearly 30% more employees than the U.S. average, according to government statistics—a situation that translated into a high level of economic security.

"There is a close correlation between firm size, employment stability and generous compensation," said UCLA economist Sanford Jacoby, who has written extensively about the new risks that working people face. "Big firms underwrote the creation of America's—and Southern California's—blue-collar middle class."

As for Grimes, he found his way to Sears, Roebuck & Co.'s massive warehouse at Olympic Boulevard and Soto Street, where he was hired as a merchandise handler represented by the Teamsters. He did well for himself there. His Social Security records show that his income rose steadily—from \$12,000 in 1987 to \$20,000 in 1990 (or nearly \$28,000 in today's terms). On top of that, his health care was covered.

But in 1992, Sears stumbled, the result of a failed strategy to sell everything from socks to stocks. Grimes, then on leave with a bad back, soon found himself out of a job.

It was a particularly bad time to be without work. The combination of recession and steep cuts in defense spending, brought on by the end of the Cold War, walloped Southern California. Unremitting pressure from low-cost foreign producers and wage competition from new immigrants such as Rojas took a severe toll on unskilled workers like Grimes.

Any chance that he would be rehired by Sears soon evaporated when the company's warehouse and adjacent store were damaged in the L.A. riots. The warehouse was eventually shuttered.

By the time the region bounced back, the nature of employment had changed. Gone were many of the corporate giants that had delivered a generation of blue-collar security. In their place were tens of thousands of relatively small employers whose job-generating capacity is now regularly praised by the nation's leaders but whose instability, often-low wages and meager benefits are less remarked upon.

Government figures show that the average size of a workplace shrank by 18% nationally between its late-1970s peak and last year. The slide was even steeper in L.A. County, with the average size of a workplace plunging 50% to 10 workers. This trend, according to Jacoby, "is one of the most important and least appreciated reasons why so many people are having a tough time making a go of it today."

For several years, Grimes all but vanished from the regular economy. He, his chronically ill girlfriend and the couple's young son lived off a mix of workers' compensation, disability payments and her welfare checks.

In 1995, he resurfaced, this time as a security guard and—befitting the U.S. economy's free-market transformation—a self-employed entrepreneur. "I set myself up as a corporation," he said proudly.

With the help of a friend, Grimes persuaded a string of businesses in a run-down neigh-

borhood along Bixel Street near downtown to hire him.

For three years, he watched over a dental office, a parking garage, a liquor store and a methadone clinic. His earnings climbed from \$5,600 when he launched his venture to more than \$27,000 two years later. He bought himself a used Pontiac Grand Am, a washer and dryer and a Rent-A-Center living room set.

Then in 1998, he found out how risky the life of an entrepreneur can be: The city bought up the properties along Bixel Street to make way for the Staples Center.

The businesses that employed Grimes closed. Demolition crews flattened the buildings and, along with them, Grimes' income. His earnings that year went clear to zero.

HIGH HOPES

As Grimes' world caved in on him once more, Rojas' prospects were looking up.

She was still shuttling between her jobs at the airline laundry service and as a packer of sundries when one of Maldonado's cousins told her that the dishwashing department at the Wyndham Hotel on Century Boulevard near LAX was hiring for the 4-to-midnight shift.

The full-time position paid more than \$7 an hour and, because the workers were represented by Hotel Employees and Restaurant Employees Local 814, it came with holidays and family health insurance. The latter would prove particularly important when Rojas suffered a miscarriage in 2001, and her health plan picked up the tab for more than \$5,000.

Rojas saw the job as a turning point. Until then, virtually everything she had in her life had belonged to her in-laws. "If we used dishes," she remembered, "they were theirs. If we watched TV, it was theirs."

But all that would change when she went to the Wyndham. "I knew at that point I would have my own things," she said.

By 1998, as Rojas and Maldonado's income more than doubled to \$26,000 (\$30,500 in today's dollars), the couple began assembling the pieces of a middle-class life.

Rojas bought china by Royal Prestige. She purchased a hutch from Levitz Furniture in which to display the dishes. She and Maldonado acquired a couch, a bed and a dining table. They shelled out for two large-screen TVs and signed up for satellite-dish service.

They bought a 1987 Plymouth Sundance to go with their aging blue Toyota Camry. And they traveled.

"We would go to Las Vegas and Disneyland," Maldonado recalled. "We had more money to spend."

When the first of the couple's two daughters was born the following year, Rojas was so eager for her to be part of the fabric of America that she resisted entreaties to name her Maria after five of Maldonado's aunts, and instead gave her the name Katherine. She would make a similar choice when their second child was born last May, rejecting Maldonado's suggestion of Elvira in favor of Melane.

The new job let Rojas dream about owning a house where, she said, "my daughters can have their own rooms" and "maybe one day I can take care of my grandchildren if I have some."

Meanwhile, any thought of returning to Central America faded away. "Here," said Rojas, "my family will go a lot farther than in El Salvador."

In the summer of 2000, the Wyndham's owners announced that they were closing the hotel for renovations. Rojas remembers hearing ominous rumblings that more would change than the color of the lobby—something about the parking attendants' jobs being contracted out.

But she was not worried. To tide her over during the shutdown, Local 814 had steered her to a job at a unionized Burger King at LAX. The fast-food outlet offered a wage-and-benefit package almost as good as what she was making at the Wyndham.

About a year after it had closed, the hotel on Century Boulevard reopened. Only now, the sign outside read "Radisson." The Wyndham name wasn't the only thing that was gone either. So too was the union—part of a broader trend sweeping corporate America for more than two decades. Unions, which represented 17 percent of the nation's private-sector workforce in the early 1980s, counted only 8 percent as members by last year.

Rojas could have her dishwashing job back. But instead of \$8.89 an hour, her top wage at the Wyndham, she said, she'd be pulling down only \$7.50 at the Radisson, with no employer-paid family health insurance. She signed on anyway and, to make ends meet, kept her job at Burger King as well.

It was hard running between two jobs again, but the family's income finally seemed to be stabilizing. As it turned out, their financial roller-coaster ride had only just begun.

SHRINKING WELFARE

For the poor, the most dramatic of all the safety-net cuts that the government has engineered in the last 25 years came in 1996.

That's when a Republican-controlled Congress passed and President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, overhauling the nation's cash welfare system.

The law sought to push people off the dole and into work. In doing so, it essentially reversed the poverty-fighting strategy that Washington had pursued since the 1960s in which poor Americans were promised a certain minimal standard of living. By last year, the law had reduced the nation's welfare rolls by 3 million families, or one-half, and had sliced inflation—adjusted welfare spending by about \$10 billion, or one-third.

These numbers, though, are about all the experts can agree on. Advocates have hailed the measure as a spectacular success, saying it has increased the incomes of many poor people while triggering a steep drop in poverty among black children. Critics have denounced it as a failure, saying that many people are poorer today than they were before the law was changed.

For its part, Grimes' household has remained largely unaffected by the law's "work first" requirements. That's because California has maintained relatively generous benefits and because Grimes' domestic partner, Jacqueline Harvey, has a chronic intestinal disease and is exempt from work requirements. She has thus continued to collect benefits off and on from the state's cash welfare program, CalWORKs. She now receives \$583 a month.

But Grimes, in the meantime, has been staggered by another, lesser-known element of the 1996 act—a significant toughening of child-support enforcement rules. This part of the law built on other efforts undertaken since the 1970s to go after absentee parents and compel them to help finance their kids' upbringings.

Grimes and Harvey's son, Albert Jr., was born in 1988. Nine years later, when the elder Grimes applied for custody of a nephew, the Los Angeles County district attorney's office sued him for child support for Albert Jr. The D.A. took action even though Grimes, Harvey and their son had always lived together and, they and several relatives say, Grimes always helped raise the boy.

Nonetheless, Grimes declined to challenge the county, which won a court judgment

against him. Grimes said he thought that he had to go along with the support order to obtain custody of his nephew and to ensure that Harvey would continue receiving publicly funded healthcare. It's also unclear whether counting Grimes as a parent in the house would have jeopardized the size of Harvey's welfare checks.

Whether a mix-up or not, the effect on Grimes' finances has been devastating. California courts not only have imposed high monthly support payments—often unrelated to a parent's ability to comply—but also have added interest at a 10 percent annual clip to past-due amounts.

A recent study commissioned by the state found that past-due child-support payments in California have soared to almost \$17 billion from \$2.5 billion in the last decade. Most of that money, moreover, is earmarked for state coffers—not for the children who need support.

"The system was largely about welfare-cost recovery, not helping families," said Curtis L. Child, who stepped down recently as head of the state Department of Child Support Services, which was created in 2000 to remove enforcement power from county district attorneys and restructure the system. "In imposing these huge judgments on fathers, we're confronting these men with an awful choice: Go underground, which is just what child-support enforcement was intended to stop, or let themselves be financially ruined."

In August 1997, Grimes was ordered to start sending the county \$173 a month in current payments, plus an additional amount for past-due support totaling \$4,900. When he fell behind after his Bixel Street business collapsed in 1998, the past-due total began to swell. It now tops \$8,000.

PLASTIC SAFETY NET

In one great clap, the 9/11 terrorists brought down the twin towers in New York, shattered Americans' sense of security and shoved Elvira Rojas down the economic ladder.

It took her five days to reach Burger King after the police and military sealed off the airport in the wake of the September 2001 attacks. When she finally was allowed in, Rojas found that her manager had cut her shift to just four hours. Within a couple of weeks, she was laid off.

Things were little better at the nearly deserted Radisson. Rojas' hours there were reduced to practically nothing.

Over the next 15 months, Rojas grabbed whatever hours she could get at the hotel and worked a second job ironing clothes at Hermosa Cleaners in Hermosa Beach. It was a tough schedule even before she got pregnant in 2002. And still it was not enough to keep her family's income from sliding almost 20% from its 1998 high to less than \$22,000.

So she and Maldonado turned to what has become one of the few reliable safety nets left for many poor Americans: their credit cards.

In May 2002, Rojas was rushed to the emergency room at Robert F. Kennedy Medical Center in Hawthorne, where she suffered a second miscarriage. This time, with only minimal health insurance from the hotel, she said she had to put \$2,000 of her \$4,000 medical bill onto her MasterCard.

"I didn't have the money otherwise," she said.

As the credit card industry emerged in the late 1950s and '60s, some expressed concern that even well-provisioned middle-class families would be unable to resist the lure of instant credit. Betty Furness, President Johnson's consumer affairs advisor, warned that credit cards were "modern traps" that would turn Americans into "hopeless addicts."

But over the last 25 years, card issuers have not let up in pushing their products. Instead, they have reached out for ever more low-income households.

Federal Reserve figures show that among families in the bottom fifth of the economy, the percentage of households with credit cards has soared from 11% in the late 1970s to almost 40%. Their average balance on those cards has climbed, in inflation-adjusted terms, from about \$825 to more than \$2,000.

Some analysts applaud the greater availability of credit. Gregory Elliehausen, of the Credit Research Center at Georgetown University, said the spread of cards and other kinds of lending was part of a sweeping "democratization of finance" that has allowed poor families to operate more efficiently by, for example, buying decent cars to get to work.

Economists Dirk Krueger of the University of Pennsylvania and Fabrizio Perri, a New York University professor now on sabbatical at the Federal Reserve Bank of Minneapolis, say families of all incomes increasingly rely on loans, rather than on business and government safety nets, in times of trouble. They borrow their way through the bad patches and pay off their debts in flush periods.

The problem comes when there are no flush periods.

Some of the items purchased on Rojas' and Maldonado's credit cards can seem frivolous or extravagant—the TVs, for example, or a \$150 set of sepia-toned studio photographs of Katherine and her mom dressed in feather boas and gowns. But most of the charges appear to fit the definition of safety-net spending.

Beyond the emergency room charge, there was \$130 for a new fuel pump for Rojas' Toyota and \$170 to repair the power steering. There was \$300 at the start of September to cover rent and a \$1,000 cash advance that Rojas said went to help a brother bring his wife to the U.S. from El Salvador.

Chipping away at what's due on their cards is virtually impossible. That's in large part because the interest the two are charged is about double what a typical middle-class borrower faces. By the time they cover that, there is little left to reduce the balance.

Although the stated interest on the couple's most heavily used cards, a pair of Direct Merchants Bank MasterCard, ranges from 20.49% to 31.99%, a review of recent bills indicates that they are consistently charged close to the higher amount. (The Minnetonka, Minn., bank recently was ordered by federal regulators to pay \$3.2 million in penalties for "downselling"—offering low pre-approved rates and then moving customers to higher-rate accounts without fully disclosing the switch. It is not clear that this happened to Rojas and Maldonado.)

Rojas and Maldonado now owe \$14,592 on their four credit cards—a burden that financial experts say is appropriate for a household making about \$100,000, but not one like theirs.

FALLING BEHIND

In the spring of 2000, two years after Grimes' Bixel Street business failed, he found a job as a security guard five blocks away at Ernst & Young Plaza.

For a while after the September 2001 terrorist attacks, the building's owners and tenants treated Grimes and his co-workers with newfound respect. Managers listened to his suggestions about how to improve safety at the 41-story structure.

He was promoted to "lobby ambassador," a sort of informal emissary to the building, and then to lobby supervisor. His annual earnings climbed back above \$20,000, and he began to imagine himself becoming a director of security.

"My goal was to have a facility of my own," Grimes said. "I thought I should have a situation where I'm in control."

But for most of the last year, Grimes has been anything but in control.

In February, after a dispute with their landlord, he and his family were evicted from their apartment on Fedora Street, where they had lived for several years. All that he was able to save from the place were three mattresses, two chairs and a Sony PlayStation.

By April, he had run through several thousand dollars paying for a \$90-a-night motel room while he looked for a new apartment. He and Harvey eventually rented a two-room Hollywood walk-up for \$875 a month, or more than 40% of their combined income. Before long, he fell behind again on his court-ordered child-support payments.

In July, things took another turn for the worse. After a series of clashes with his boss, Grimes was ordered out of the Ernst & Young tower and told he would be reassigned. Instead, he quit. For the time being, he is working for the Service Employees International Union on a campaign to organize security guards in the city's high-rise offices.

Grimes is determined to recover from the latest round of reverses. He dreams about what his father had—a house, a secure job—and is convinced he'll fare as well someday. "I'm trying," Grimes said, "to get back to what he had."

ANOTHER EVICTION

A month after Grimes was forced out of the Ernst & Young tower, Rojas and her family were evicted from the Burin Avenue bungalow where they had lived for seven years. A developer is preparing to raze the place and put in half-million-dollar townhouses.

It's not clear how long they could have afforded to stay there anyway. A week before they moved, Maldonado was laid off from the dry-cleaning plant to make way, he said, for new immigrants who were willing to work for less. He has since gotten a new job, packing items at a warehouse, for minimum wage.

The family's new apartment is so small that the bedroom is a single mass of mattresses and cribs. The hutch and couches fill the living room to overflowing. And the cabinets in the kitchenette are so stuffed that Rojas must store her supply of infant formula in her car trunk.

But the couple has plans—to turn around the slide in their income, to look for a house, to make sure that the girls continue all the way through school. "I don't want them to be struggling like us," Maldonado said.

Rojas is making other plans as well. Soon after arriving in the U.S., she took out a loan to finance her future at the Inglewood Park Cemetery. She now owns two plots at the cemetery's Mausoleum of the Golden West, and recently signed papers to pay \$82.79 a month for the next five years to buy two more. By the time Rojas is finished, she will have spent more than \$12,000 in total. But she's convinced it's worth it.

"Now if I die, I won't have to worry about my funeral," she said. "I won't leave my family with a financial burden."

The Source of the Statistics and How They Were Analyzed

The Times used the Panel Study of Income Dynamics for its analysis of family income volatility.

The panel study has followed a nationally representative sample of about 5,000 families and their offshoots for nearly 40 years and is the most comprehensive publicly available income and earnings database in the world. It is run by the University of Michigan and principally underwritten by the National

Science Foundation. The families' identities are kept confidential.

The Times employed techniques for gauging income volatility that were developed by economists Robert A. Moffitt of Johns Hopkins University and Peter Gottschalk of Boston College. The Times also consulted with Yale University political scientist Jacob S. Hacker, who has conducted his own analysis of income volatility among households in the panel study and has published results linking it to economic risk.

The Times employed two Johns Hopkins graduate students, Xiaoguo Hu and Anubha Dhasmana, to help generate the data. Moffitt guided them and advised the newspaper.

The Times' analysis looked at five-year increments from 1970 to 2000 and examined the annual fluctuations in each family's income.

For example, for a family whose income rose by \$5,000 over a five-year span, the paper examined the journey from the lower number to the higher: Did the change occur in steady \$1,000 annual increases? Or did the family's income take a big jump in one year and plunge in another?

The Times' basic finding is that the fluctuations in annual income that individual families have experienced have grown larger over the last three decades.

Based on the panel-study sample, The Times estimated the annual income swings, up or down, for 68% of all U.S. families—those who did not have the most extreme fluctuations. As a result, the newspaper's conclusions don't rest on cases outside the mainstream: the movie star whose career dries up overnight, say, or the hourly worker who wins the lottery.

To zero in on working families, The Times focused on men and women 25 to 64 years old whose households had some income. To analyze the working poor, the paper ranked families by their average income during each five-year period. It then concentrated on those in the bottom one-fifth of income earners and especially those right at the 20th percentile.

The average annual income of panel-study families at the 20th percentile is close to the government's official poverty line for a family of four most years.

The analysis looked at pretax income of all family members from all sources, including workplace earnings; investments; public transfers such as jobless benefits, food stamps and cash welfare; and private transfers such as inheritances.

All amounts were adjusted for inflation, expressed in 2003 dollars.

Mr. McKEON. Mr. Chairman, I yield 2½ minutes to the gentleman from Nebraska (Mr. OSBORNE), a member of the committee.

Mr. OSBORNE. Mr. Chairman, I would like to particularly thank the gentleman from Ohio (Chairman BOEHNER) and the gentleman from California (Mr. McKEON), subcommittee chairman, for this bill.

From my perspective this is a good bill. And I think there are several points I would like to make. First of all, it consolidates programs and creates efficiencies. It gives State and local officials more flexibility, which is always important. And the \$3,000 reemployment accounts to purchase needed services to ensure reemployment seem to me to be a good idea because oftentimes when a person is trying to get back on their feet, they need to have money to pay for child care. They need transportation. It allows them to get

reestablished, and we think this is certainly very helpful. And then it also allows faith-based organizations to offer job training service. We think this is important.

I would like to amplify on that just a little bit. Number one, faith-based organizations often provide services more efficiently than State or Federal agencies. The Salvation Army, Catholic Charities, Jewish Federation are all extremely efficient and they are very cost effective.

Secondly, faith-based organizations often go where others will not go or do not go. In inner cities, and sometimes our rural areas, we find that they are very effective. Faith-based organizations are by law allowed to hire employees to provide services which conform to the mission of the faith-based organization. This right was affirmed by the 1964 Civil Rights Act and the 1987 Supreme Court decision, *Corporation of the Presiding Bishop versus Amos*. So we think there is ample legal justification for this.

Number four, faith-based organization employees must often wear many hats. For instance, a music director at a church may also work at the job training center in the afternoon. A Sunday school superintendent may also run a Head Start program at the faith-based organization. So it is unreasonable and contrary to establish law to force faith-based organizations to hire employees who do not share the faith-based organization's mission. We think this makes perfect sense.

This is a good bill and I urge support for it.

Mr. KILDEE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I thank the gentleman from Michigan for yielding me this time.

I am opposed to this bill because it reflects a misunderstanding of the proper way to build a successful career and a gross misinterpretation of our constitutional tradition.

With respect to its misunderstanding of the best way to build a career, I think that these personal retraining accounts, although clearly well intentioned, have exactly the wrong effect on an unemployed person. The purpose of workforce investment is not to move a person from a position of unemployment to a position of employment for a while. The purpose of the workforce investment is to move a person from dependency to opportunity and eventually to prosperity. The great dividing line in the American economy is whether one has 2 years of college or not. People with more than 2 years of college tend to have stable jobs and high and rising incomes. This bill says to a person who is laid off from an industrial industry or some other employer like that take the first job that comes along.

As the gentleman from Washington (Mr. McDERMOTT) said, they are virtually compelled to do that. The first job is not always the best job. But, more importantly, from the public's point of view, it may be a temporary job. It will move the person from a period of unemployment to a brief period of reemployment to another period of unemployment. Our goal should not be temporary employment. Our goal should be opportunity and prosperity in the long run.

With respect to the constitutional misinterpretation, the gentleman from Virginia (Mr. SCOTT) will offer an amendment later in this debate that needs to be adopted. We are not opposed to faith-based organizations continuing the work they are presently doing in job training. They do a great job and they should continue. If the gentleman from Virginia's (Mr. SCOTT) amendment passes, that work will not be discontinued. If the gentleman from Virginia's (Mr. SCOTT) amendment passes, here is what will happen: We think that with Federal money a religious organization should not be able to say we will not hire Catholics to serve meals at a clinic. We think with Federal money, an organization should not be able to say we do not hire Jews to do job training. We think with Federal money, people should not be able to say we do not want evangelical Christians or Muslims or Buddhists doing job counseling.

This country started because we wanted to get away from religious persecution and discrimination. It is an abrogation of our constitutional traditions to enshrine that in the law, and that is what this bill does. The gentleman from Virginia's (Mr. SCOTT) amendment corrects that mistake and it should be adopted.

Mr. McKEON. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. REGULA).

(Mr. REGULA asked and was given permission to revise and extend his remarks.)

Mr. REGULA. Mr. Chairman, I rise in strong support of H.R. 27, the Job Training Improvement Act of 2005. I would like to recognize the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. McKEON) for their leadership and tireless efforts in bringing this bill to the House floor.

Hard-working families in my district who have been laid off rely on programs like the One-Stop workforce development system, which helps States and communities ensure workers to get the training they need to find good jobs. I like to call the One-Stops "hope centers" because they provide hope to people seeking gainful employment.

For example, my constituent, Jeff Ring, who after 24 years of employment as a steelworker, was laid off. He is a father of three children, eight and younger. He came to the One-Stop and enrolled in training to become a registered nurse. Just last week he received his certification and will begin

working at Aultman Hospital and will be making nearly 20 percent more than his previous salary.

In another case, my constituent, Tiffany Birtalan, a single mother raising a teenager, she currently works as a waitress making \$2.13 an hour plus tips. She came to the local One-Stop seeking to change careers. Tiffany is now enrolled at a community college and is training to be a dental hygienist. Based on current labor market information and the high demand for this occupation, she will easily make \$25 to \$30 per hour.

Every day, every day, hard-working people like Jeff and Tiffany walk through the doors of One-Stop across the country seeking assistance. We must do all we can to streamline unnecessary bureaucracy and strengthen allocations so that adequate resources are available to them achieve their hopes and dreams.

Mr. Chairman, this is a good bill, and I would urge my colleagues to support H.R. 27.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I rise to engage the gentleman from Ohio (Chairman BOEHNER) of the Committee on Education and the Workforce in a colloquy.

During our full committee consideration of H.R. 27, I offered and withdrew an amendment to ensure that data on high school-aged students participating in adult education programs is publicly available and reported to our committee.

We already know that 30 percent of our high school students fail to earn diplomas with their peers. In the Hispanic community, that figure is nearly 50 percent. Many of our adult education providers report that high school-aged students are flooding their programs. We cannot continue to allow our high school students to slip through the cracks. Our first step in shining the light on this issue is to make sure that we have accurate and regularly reported data.

At full committee, the gentleman offered to work with me to ensure that these concerns are addressed in the reports that our committee received from the Department of Education.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. HINOJOSA. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I want to thank the gentleman from Texas for raising this issue. Data on young adults participating in adult education programs is important information for our committee as well as for the adult education programs and for school districts to keep in mind as we work to raise our high school completion rates. And it is my understanding that this is information that the Department already collects but has not been a focus in program reporting.

Mr. HINOJOSA. Mr. Chairman, reclaiming my time, the chairman is cor-

rect. The Department already collects this data and would be able to highlight this information in its annual report to Congress with very little additional work. It is simply a matter of clearly communicating to the Department that we would like to see focused information on high school-aged students in adult education reported by race, ethnicity, language proficiency, and program enrollment.

I thank the chairman for continuing to work with me and the Department to bring this critical information to the forefront.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. HINOJOSA. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, again I want to thank the gentleman for his work on this issue. I will continue to work with him and the Department to ensure that we have the necessary information to carefully monitor the participation of high school-aged students in adult education programs.

Mr. HINOJOSA. Mr. Chairman, reclaiming my time, I thank the gentleman from Ohio (Chairman BOEHNER) for his comments.

Mr. McKEON. Mr. Chairman, I yield 3 minutes to the gentleman from Nevada (Mr. PORTER), a member of the committee, vice chairman of the subcommittee.

Mr. PORTER. Mr. Chairman, I rise today in strong support of H.R. 27, the Job Training Improvement Act of 2005, and I certainly applaud the gentleman from California (Chairman McKEON) and the gentleman from Ohio (Chairman BOEHNER) for their tireless efforts in bringing this important legislation to the floor today.

□ 1630

As an original cosponsor of this legislation, there are many provisions that will increase the ability of our Nation's workers to achieve greater stability in our ever-changing workforce. I would like to mention one aspect of the bill which I am particularly proud of, the inclusion of Personal Reemployment Accounts as an allowable usage of funds under the pilot and demonstration projects of the Greater Workforce Investment Act.

PRAs will provide American workers who are seeking employment added flexibility to seek the customized training and support services that they need and deserve to expand their career opportunities. As my community of southern Nevada experienced in the wake of September 11, our economy proved to be very vulnerable. As my community rebounded from this blow, Nevadans sought help in adjusting to the realities of the workforce. Those Nevadans who suffered the woes of unemployment sought additional training and support as they sought to increase their career opportunities.

Mr. Chairman, I know that PRAs would have provided my constituents with a valuable option in seeking these

services. In fact, many constituents have told me they are excited to have this opportunity in case there is another emergency at some point in time. In fact, one young girl, Lucy, wanted to make sure that there was ample education dollars available; and I assured her there would be.

Besides providing for an individualized approach to reemployment, the PRAs provide an added bonus. Individuals are able to retain the remainder of their account after they return to the workforce. These funds can be used for continued training and support.

As Americans return to work, they continue to face hardships until the benefits of employment become manifest. PRAs can help ease this transition.

Mr. Chairman, I will include for the RECORD a letter from Deputy Secretary of Labor Steven Law demonstrating the administration's continued support of the PRA program.

Mr. Chairman, I urge all of my colleagues to support this important legislation. As our workforce continues to engage the ever-changing economy which we are part of, this reauthorization will provide American workers with the tools they need and deserve to improve their career opportunities. I recommend final passage of the Job Training Improvement Act of 2005.

Mr. Chairman, I include for the RECORD the letter referred to earlier from Steven J. Law, Deputy Secretary of Labor.

DEPARTMENT OF LABOR,
DEPUTY SECRETARY OF LABOR,
Washington, DC, March 2, 2005.

Hon. JON PORTER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN PORTER: I would like to thank you for your invaluable and effective advocacy of Personal Reemployment Accounts (PRAs). Like you we believe that PRAs will provide thousands of Americans seeking reemployment with a new and more flexible means to seek customized training that leads quickly to expanded career opportunities.

We are enthusiastic about the launch of PRA demonstration projects in seven states. We are confident that this important pilot program will prove the value of PRAs and, with enactment of your legislation, even more Americans will have access to PRAs.

We look forward to working with you, Chairman BOEHNER, and Chairman McKEON on this innovative plan to help workers in transition. Thank you again for your leadership on this initiative.

Sincerely,

STEVEN J. LAW.

Mr. KILDEE. Mr. Chairman, I yield 4 minutes to the gentlewoman from Washington, D.C. (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I very much appreciate the gentleman yielding me this time.

Mr. Chairman, there are many problems with this bill. I choose to focus on the Scott amendment because it involves a matter in what I think I can safely say is my personal confidence.

I have heard title VII of the 1964 Civil Rights Act called out here repeatedly. It was my great privilege to enforce

title VII of the 1964 Civil Rights Act as Chair of the Equal Employment Opportunity Commission, and I have an obligation to step forward to plead with my friends on the other side to make this a bipartisan bill, because its chances of becoming so at least on this matter should be great.

In fact, it is such a good idea to have faith-based organizations involved in the programs of the Federal Government that we have been doing it for decades with billions of dollars to show for it. There may be some ways, I will be the first to say, there are some ways in which this could be strengthened and expanded. But I do not know whose idea it was to allow religious organizations to discriminate. I do not think it could possibly have been the idea of the faith-based communities themselves. I do not believe that churches and synagogues and mosques are stepping forward to say, Even though we have an extraordinary ability to hire only our own folks, we want to make sure we use public dollars to hire only our co-religious partners.

If the language is kept as it is, we will have the first nullification, the first repeal, of civil rights laws since they were initially passed 40 years ago. To our credit, we have steadily built those laws into legislation that came after it, and, yes, into the Workforce Investment Act. We are required to do that. Title VI requires us to do that, the 14th amendment requires us to do that. It required us to do so when the Workforce Investment Act was passed, and it requires us to do so now.

Essentially what the bill states now is that you can hire only Lutherans or Muslims with your own money, and you can hire only Catholics and Jews with the people's money. That is a huge departure from everything that is built into title VII.

I was Chair of the agency and brought forward religious discrimination guidelines. We worked very hard to strengthen the law against religious discrimination and went the extra mile because of the free exercise clause. Thus, today religious organizations, a church or synagogue, for example, can do what no union or business can do. It cannot only use its money to hire its religious members in religious positions; it can use its own money to hire even their own members in secular positions. This is the maximum in religious freedom that is allowed under the Constitution.

Now, if you want to take on public responsibilities, I cannot understand why anybody would say you would not want to spend that money in accordance with the public responsibility in each and every respect. That is how it has always been done. Why the departure now?

If you want public dollars, do so in accordance with public law. That law requires no discrimination on the basis of race, sex, or religion. It would be a horrible setback to now come forward and say that you can in fact discrimi-

nate on the basis of religion, of all things. And that is what you would be doing, because, as everybody knows, race and religious identity track one another very, very closely.

Today, when black people go to Catholic Charities or to Lutheran Services they see people of every race and color working there. And do you know what? I have not heard these organizations and the many other faith-based organizations complain that in order to serve my African American community, they sometimes reach out and find black people who are not Catholic and who are not Lutheran, because they do not ask what they are.

We have resisted pressures in this House for repeal of affirmative action, for repeal of goals. Surely we can resist the role back to the bad old days of religious discrimination and a violation of title VII of the 1964 Civil Rights Act.

Mr. McKEON. Mr. Chairman, I am happy to yield 3 minutes to the gentleman from Georgia (Mr. PRICE), a new member of the committee.

(Mr. PRICE of Georgia asked and was given permission to revise and extend his remarks.)

Mr. PRICE of Georgia. Mr. Chairman, I thank the chairman and the gentleman from California for allowing me to participate in this debate.

Mr. Chairman, I am somewhat perplexed and disappointed by the tactics from the other side. This is serious business, and simply working to divide our citizens I believe to be counterproductive.

This bill, this bill, will enhance employment; it will increase employment and job retention, plus increase the overall skill level of our labor force. Now, the demagoguery that you hear from the other side on this issue, and, frankly, on every issue, seemingly every issue, frankly is a disservice to this debate and does a disservice to our Nation.

This bill gets more resources to the individual needing it. That is a good thing.

These are very challenging times for many in our workforce. They need more options for assistance, not a one-size-fits-all model or program. Streamlining the one-stop career center system is easier for the client. That is a good thing. It does not harm the Wagner-Peyser money. There are no lost resources.

Greater flexibility in the delivery of core, intensive, and training services allows individuals to receive the most appropriate services specifically for them. That is a good thing. Providing Personal Reemployment Accounts allows those who are unemployed an opportunity to use money for those things that are often that final hurdle to getting a new job, child care, transportation, housing assistance. That is a good thing. Getting more resources to those most in need when they are out of school helps those without other opportunities, and that is a good thing.

Faith-based language in this bill is identical, identical, to four separate

pieces of legislation passed during the Clinton administration. There is no discrimination on the provision of services.

With this legislation, we are actively and positively addressing how the Federal Government, and ultimately how each and every citizen, will come together and lend a helping hand to those needing that assistance at a very pivotal time. That is a good thing.

Mr. Chairman, I urge my colleagues to support this bill and move forward in helping those needing to return to the workforce. This is a good thing.

Mr. KILDEE. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, once again my colleagues on the other side of the aisle are claiming they want to help workers in this Nation. But, as usual, their actions say otherwise.

The newest WIA proposal does nothing more than force workers to compete with each other for services that they have come to expect and services they deserve from the WIA system. WIA one-stops provide important job training services to help those struggling to find work to get resources they need.

If this bill passes, veterans and unemployed adults will be placed second to infrastructure costs. Instead of increasing funding in the bill to address infrastructure needs separately, this bill forces Governors to choose between workers and updating facilities, all from the same pot of money. Limiting this pool of funding will deny workers quality services for reemployment and adult education programs, and that is just plain and simple true.

This bill also sets up a voucher system that will actually decrease the amount of services available to job seekers. Those receiving these new job vouchers will be able to pay for training courses or other job-searching expenses. That sounds great. But the catch is that once a worker takes a voucher, they will lose access to Federal job training programs through WIA for an entire year. Money and services are both critical for many workers to get back on track, particularly when they have become unemployed over and over again, and workers who should not have to make the choice between one or the other are continually faced with the dilemma.

This bill also changes the way in which the government will evaluate the success of WIA programs. Now workers will be judged on how they serve the company they work for rather than on the quality of services they received under WIA. Since when was WIA focused on big business' needs rather than the worker's needs?

The worst part of this bill, however, is that it will write discrimination into the law. At religious institutions receiving WIA funds, those who share the

same religious philosophies will have an advantage over those applying for employment that do not subscribe to the same views. Workers can now lose job opportunities through blatant religious discrimination at places our tax dollars are funding. This bill turns WIA into a competitive service provider, rather than an equal opportunity resource for our Nation's unemployed workers.

This is not the way we can help our Nation's workforce, and I urge my colleagues to oppose H.R. 27 as it is written.

The CHAIRMAN. The committee will rise informally.

The Speaker pro tempore (Mr. McKEON) assumed the Chair.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House.

MESSAGE FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Wanda Evans, one of his secretaries.

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The SPEAKER pro tempore (Mr. McKEON). The Committee will resume its sitting.

JOB TRAINING IMPROVEMENT ACT OF 2005

The Committee resumed its sitting.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. Fortuño).

Mr. FORTUÑO. Mr. Chairman, back in 1998, Congress enacted the Workforce Investment Act, which established a system for a one-stop career centers aimed at providing one convenient central location to offer job training and other employment-related services.

While these reforms have largely been a success, the system is still hampered by inefficiency, duplication, and unnecessary bureaucracy. The bill that we are approving today aims to strengthen training services for job seekers accomplishes these goals in several ways: Particularly by streamlining bureaucracy and eliminating duplication; consolidating the three adult WIA training programs, giving States and local communities greater flexibility, and enabling more job seekers to be served with no reduction in services; removing arbitrary barriers that prevent individuals from accessing job training services immediately; strengthening partnerships between

local businesses, communities colleges and the local one-stop delivery system; enhancing vocational rehabilitation to help individuals with disabilities; and improving allocation and literacy for adults to ensure they gain the knowledge and skills necessary to find employment, including language proficiency.

I want to thank the chairman on the committee for adopting two amendments I have introduced to enhance further employability of the limited English proficient calculation by providing necessary skills, training and English language instruction. I believe this will help tremendously, especially the Hispanic populations throughout the country.

I believe that the backbone of a strong economy and a strong society is a well-trained and highly-skilled workforce. The bill on the floor today is an excellent source to achieve that goal. This bill includes a number of reforms aimed at strengthening our Nation's job training system and better engaging the business community to improve job training services.

It accomplishes this by requiring State and local workforce investment boards to ensure the job training programs reflect the employment needs in local areas; also allowing training for currently employed workers so employers can upgrade workers' skills and avoid layoffs; encouraging the highest caliber providers, including community colleges, to offer training through the one-stop system; leveraging other public and private resources to increase training opportunities; and increasing connections to economic development programs.

The bill reauthorizes the Rehabilitation Act of 1993, the primary Federal program designed to assist individuals with disabilities to prepare for, obtain and retain employment to live independently; and furthermore, it includes transition services for students with disabilities moving from secondary education into post-secondary activities that can only be determined as a possible alternative to address the needs of those in special needs.

I am convinced that H.R. 27 is a valuable tool to achieve that goal we all have set our minds to. And that is none other than creating a better and strong economy and society that will be prepared to compete in a changing and demanding new world that rises as we speak.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY. Mr. Chairman, I rise to join the chairman of the Committee on Education and the Workforce, the gentleman from Ohio (Mr. BOEHNER), in a colloquy on how certain provisions in this legislation might affect the governance of WIA funding in New York State.

This legislation provides governors the authority to take a portion of funds provided through the authorizing

statutes of mandatory partner programs to cover the infrastructure costs of one-stop centers. I am concerned that this may create a constitutional conflict between the Governor of New York and the Board of Regents.

I offered an amendment to remedy this conflict in committee. The amendment I offered was language that is identical to language already included in S. 9. I would ask the chairman if he would commit to working with me and my New York colleagues in conference to resolve this issue.

Mr. BOEHNER. Mr. Chairman, will the gentlewoman yield?

Mrs. MCCARTHY. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I want to thank the gentlewoman for yielding. I pledge to work with her and other interested members of the New York delegation during conference on this legislation to identify and remedy any governance problems which New York may have under this bill. However, it is not clear that the language that the gentlewoman offered in committee that is included in S. 9 fixes the problem in New York and could have other unintended consequences in New York and other States.

So my goal is to ensure that the mandatory partners contribute to the cost of the one-stop infrastructure without causing constitutional problems for States. And as I suggested, I will continue to work with the gentlewoman to achieve this.

Mrs. MCCARTHY. Mr. Chairman, I want to thank the chairman for agreeing to work with us on this issue of importance to New York.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield two minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I rise in opposition to H.R. 27, the Reauthorization of the Workforce Investment Act.

The Workforce Investment Act was one of these pieces of legislation that actually helps people. It was passed back in 1998. Unfortunately, this is a step backward as it comes before us today. The bill now here would create block grants to fund the adult dislocated worker and employment service programs. And as we know, funding through nearly every past block grant program has led to decreases in funding in just about every education or labor program that was block granted.

In addition, the proposal here would reduce and restrict services for in-school youths. It would fund one-stop infrastructure by siphoning off funds used to serve veterans and individuals with disabilities; and importantly, the legislation before us here would allow discrimination in hiring based on individuals's religious beliefs.

Under current religious law, organizations are free to make employment decisions using religious criteria with their own money. Why should we allow organizations to discriminate with taxpayer dollars? It really would roll back